Planning Commission Report

To: City Council

From: Planning Commission

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Subject: Preliminary Preferred Growth Strategy, 2002 Comprehensive Plan Amendments

Recommendation Select Modified Draft Alternative 3 as the preliminary preferred growth strategy.

Reasons for Recommendation

- **Summary of** 1. It will likely become increasingly more difficult for people who work in Redmond to find housing here as the amount of available land for new housing declines and prices increase. The recommended alternative emphasizes increasing the supply and diversity of housing in Redmond not only to provide more opportunities for people to live closer to work, but also to meet better the needs of people of various ages and incomes, from young adults to seniors.
 - 2. Supports continued economic growth and job vitality, while increasing opportunities for people who work in Redmond also to live and shop here, and to be part of the overall community.
 - 3. Emphasizes land use and transportation strategies to reduce traffic impacts associated with more growth. This is particularly important in light of recent transportation funding trends and ballot initiative outcomes.
 - 4. Compared to Draft Alternative 1, causes less concern about implications for environmental quality and the City's ability to assure facilities and services needed for growth.
 - 5. Will enable the City to meet its regionally allocated targets for housing and job growth through 2022.

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Background

In February 2000, the City Council endorsed three draft alternatives for growth through 2022 for further evaluation as part of updating Redmond's Comprehensive Plan. During workshops the previous year, more than 100 citizens expressed their views on these draft alternatives and on what community qualities are important to maintain and enhance Redmond's livability now and in the future.

In general, the draft growth alternatives represent different approaches in terms of the desired type, amount, location, and rate of further development in Redmond. Overall, the long-term vision for Redmond is not expected to change significantly under any of the alternatives.

Further work on the draft growth alternatives was delayed to allow integration of the growth alternatives work with an update of the City's transportation plan. In mid-October 2002, the Planning Commission resumed work with the next step in the process: further evaluation of the draft growth alternatives in order to select one as a preliminary preferred growth strategy.

The preliminary preferred growth strategy will be the basis for and focus of further analysis during the 2002/2003 Comprehensive Plan update. Following City Council action on a preliminary preferred growth strategy, staff will develop a work plan identifying portions of the Comprehensive Plan and Development Guide that would need to be updated to carry out the preferred alternative.

In general, the January to June 2003 portion of the work plan will include further evaluation of the preliminary preferred growth strategy through environmental review, work on a Transportation Master Plan, and consideration of amendments to carry out the alternative. A primary purpose of this evaluation is to determine what updates are needed to City policies and regulations to guide future development in a manner that will maintain and improve Redmond's livability. This evaluation would include work by staff, further consideration of the alternative and implications by the public, further evaluation by the Planning Commission and ultimately, City Council adoption of an updated Comprehensive Plan.

Public Participation

1. Notice for Public Hearing and Workshop.

The City held a workshop on October 21, 2002, and the Planning Commission held a hearing on October 23, 2002 to seek public comment on the draft growth alternatives. A total of 22 citizens attended the workshop and about 15 attended the hearing.

The community was informed of the workshop and public hearing by a mailing to 513 citizens who have participated in or expressed interest in growth-related issues. The mailing included a one-page summary of the draft growth alternatives.

Other means the City used to advertise the workshop included sending media notices to several Eastside newspapers, placing notices on the City's web page and RCTV Channel 21, including the workshop and public hearing on the Planning Commission's extended agenda, and informing members of the City's Park Board and Trails Commission.

The Greater Redmond Chamber of Commerce distributed information about the workshop and public hearing, and has reported on the issue regularly in the Chamber's monthly newsletter *Redmond Business*, and at meetings of the Chamber Government Affairs Committee and Board of Trustees.

Notice of the public hearing was published in the Eastside edition of <u>The Seattle Times</u>. Public notices were posted in City Hall and at the Redmond Library.

2. Public Comments.

The Planning Commission heard comments on the draft growth alternatives from nine persons during the public hearing. The City also received written comments. Exhibit D includes a copy of the October 23 Public Hearing minutes, a summary of comments from the October 21 workshop, and written comments submitted during the Planning Commission's deliberations.

3. Meetings with Community Groups.

The Greater Redmond Chamber of Commerce formed a task force of its members to participate in the 2002 Comprehensive Plan Update. The task force has met weekly to discuss the draft 2022 growth alternatives and to prepare a recommendation to the Planning Commission. Planning staff members participated by attending the task force meetings and providing information related to the draft growth alternatives. Meeting summaries are available from the Planning Department.

Planning staff was also invited by the Redmond Historical Society to brief the board on the draft growth alternatives.

4. Other Public Comments.

The City has periodically conducted a telephone survey of residents through the Gilmore Research Group to gather feedback on citizen satisfaction and service priorities for the biennial budget. The latest survey was conducted in June 2002 and included feedback from 419 Redmond residents. As part of this survey, residents were asked to give their opinion regarding the three draft growth alternatives. The results of this survey are included in Exhibit D.

In October 1999, the City held two workshops to seek public comments on which draft growth alternative(s) the City should evaluate further and what other options should be explored. A summary of workshop comments is included in Exhibit D.

During the past few years, specific feedback from various public outreach efforts has varied, but a few major themes have remained fairly constant among citizens in the community:

- Desire to reduce traffic congestion in Redmond, or at least to reduce the rate of increase.
- Desire for parks, police and fire protection, and other services/facilities to meet needs and contribute to a high quality of life.
- Desire to retain existing businesses in Redmond, and to provide a good selection of jobs.
- Desire for better range of choices in new housing.
- Desire for environmental quality.

The staff recommended modifications to Draft Alternative 3 were intended to address a number of the public comments to date, including concerns about SE Redmond, support for designating Overlake as an "urban center," concerns about traffic impacts associated with growth, and desire for use of more incentives to achieve desired goals.

Planning Commission Recommendation

The Planning Commission evaluated the three draft growth alternatives over the course of six study sessions. The Commissioners organized their evaluation by considering the extent to which the draft growth alternatives would support or detract from important community goals as described in Redmond's adopted vision statement:

- Environment: Trees and open space define Redmond's appearance, environment protected, rural lands to north and east.
- <u>Downtown</u>: lively and walkable; stores, housing, jobs, and recreation
- Overlake technology center: can work and live; includes a park or theater
- Jobs: pay at least a "family-wage" and there's a healthy economy
- Residential neighborhoods: quiet and safe; character retained
- <u>Housing</u>: broad range of housing to meet community needs; people of various family sizes, ages and incomes can live in Redmond
- Parks and other services: meet needs and contribute to high quality of life
- Transportation: meets needs, provides real alternatives to driving alone

The Planning Commission also considered how the draft growth alternatives compared in terms of generation of sales tax and other revenues and consistency with regional allocations of housing and job targets for 2022.

Some of the information the Planning Commission considered in developing the recommendation is included with this report. Additional items are referenced in the Exhibits list and are available in the City's Planning Department.

1. Recommendation: Modified Draft Alternative 3

The majority of the Planning Commission recommends further evaluating Modified Draft Alternative 3 as the preliminary preferred strategy for growth in Redmond through 2022. This Draft Alternative is based on the following concepts:

Residential Development

- Look for, emphasize and encourage opportunities to improve the supply and diversity of new
 housing in Redmond. Improvements in housing supply are needed to enable more people to
 live near work, thereby reducing traffic volumes, trip lengths and commuting, and to better
 address the needs of households of various sizes, ages and incomes. Seek more ownership
 opportunities in both single-family and multi-family housing.
- Recognizing that land supply in Redmond is finite, consider City employment centers as
 leading potential locations for more housing opportunities. However, also recognize that the
 employment centers will likely vary in their suitability for more housing and vary in terms of
 timing. For example, Downtown or Overlake might offer more opportunities in the nearterm, while a location like SE Redmond might be a longer term option that could require
 more consideration of strategies to minimize conflicts with industrial uses.

Promoting use of land in employment centers for housing can help to improve the balance between the amount of housing and jobs added to the City, reducing upward pressure on housing prices. The addition of more housing at these centers can also contribute to the likelihood of successful transit use in the area.

Overall, new single-family homes would likely continue to be developed on the remaining
vacant and underused parcels in residential zones, similar to trends during the past few years.
However, also pursue opportunities to increase choices in new housing in residential zones,
such as cottages and other smaller detached single-family homes, attached homes, and
accessory dwelling units.

Retail, Office and Industrial Development

- Develop a strategy in collaboration with businesses and developers to reduce the traffic impacts associated with the amount of commercial development expected under this Alternative. Potential elements in a strategy could include:
 - Emphasize retail or office development Downtown where employees have less need to use a car for errands during the day.
 - Consider creating incentives for other employment centers to reduce travel demand by linking office or light industrial development with provision of convenience businesses to serve employees day-to-day needs.

- o Emphasize opportunities for office or light industrial development that includes or is preceded by housing development.
- Consider creating an incentive package that would link office or light industrial development with transportation improvements or reductions in travel demand.
- Consider what is needed to retain existing businesses since some businesses may have chosen to locate or remain in Redmond due to proximity to where managers or other employees live.
- Maintain the current limit of 15.4 million square feet of commercial floor area for Overlake for now and re-evaluate this limit as part of the next 5-year Comprehensive Plan update in 2008-2009. However, proceed with consideration of designating Overlake center as an "urban center" as part of the 2002 Comprehensive Plan Updates.

Estimated Growth 2002 to 2022

• Dwellings: 9,500 (19,700 people)

• Commercial Floor Area: 6.7 million square feet (21,800 jobs)

Estimated Total for Redmond in 2022

• Dwellings: 30,300 (65,700 people)

• Commercial Floor Area: 33.5 million square feet (94,100 jobs)

2. Primary Reasons for Recommendation

In reaching its recommendation, the Planning Commission discussed how the draft growth alternatives compared for each of six broad areas of community goals: environmental quality, land use, housing, economic vitality, transportation, and other services and facilities. Primary reasons for the Planning Commission's recommendation are summarized below. Exhibit A provides a summary of the discussion for each of the six areas and Exhibit B includes minutes for this discussion.

Housing Supply and Choice

Commissioners expressed concern that it will become increasingly more difficult for people who work in Redmond to live here as the capacity for new housing declines and prices increase, and believed it was important for the City to work hard on strategies to address this issue. Commissioners also expressed concern about the ability of people of various ages and incomes, including young adults and seniors, to find housing in Redmond.

The majority of the Commission recommended Modified Draft Alternative 3 because it emphasizes increasing the supply and diversity of housing in Redmond. They commented that providing more opportunities for people to live near work reduces commuting and provides benefits for the community. Other likely advantages under this Alternative include:

- Greatest opportunity for more affordable housing. This Alternative will likely result in the largest amount of new housing in Redmond and will likely result in less upward pressure on prices.
- More opportunities for ownership-housing.
- Emphasizes use of creative housing solutions in residential zones, such as cottages and other smaller detached single-family homes, attached homes, and accessory dwelling units.
- Would enable the City to meet its target allocation for housing growth through 2022.

Two Commissioners disagreed with the majority on the recommendation. One Commissioner preferred Draft Alternative 2, stating that it is unlikely actually to result in a slower rate of housing, providing more housing opportunities does not mean people will choose to live in Redmond, and City requirements are the only effective way to achieve affordable housing goals. The other Commissioner believed that either Alternatives 1 or 3 could support housing goals, stating that a primary need is greater housing supply and diversity.

Economic Vitality

Several Commissioners commented that they highly value existing businesses in Redmond and the area's economic stability, and that continued job growth is important for several reasons. However, the majority also believed that while Draft Alternative 1 might provide the most zoning capacity for new jobs, there are other important considerations. They reasoned that under Modified Draft Alternative 3, there would be more opportunities for people not only to work in Redmond, but also to live here. If employees work and live in Redmond, they are more likely to shop in Redmond (generating tax revenue) and more likely to be part of the overall community.

Second, the Commissioners expressed concern that if there is too much capacity for retail, office or light industrial development, there is more potential for higher vacancies and adverse neighborhood impacts. The Commissioner noted that the City could meet its target allocation for job growth through 2022 under this alternative.

A third consideration was that while available space is important to business decisions to remain or locate in a community, location decisions also likely reflect corporate culture and community quality. A community's overall livability can be important to retaining or attracting businesses. The Commissioners noted that some businesses have expressed concern about the likely level of traffic congestion under Alternative 1 and the need for more housing opportunities for employees. Finally, the Planning Commission believed a preferred strategy is to select a middle course with a more manageable level of growth, and make smaller course corrections later as needed.

Concerning Overlake, the majority of the Commissioners believed that it is premature to commit to zoning changes to increase capacity above the current limit of 15.4 million square feet as suggested in Draft Alternative 1. The Overlake Neighborhood Plan was updated in 1999 and reconsidering the agreements made through that plan will require extensive participation by businesses, property owners, residents, and neighboring jurisdictions. The Commissioners indicated that a near-term need for increased zoning capacity was not demonstrated and that this issue will likely be revisited as part of a future plan update over the next five years or so.

Concerning SE Redmond, while the majority endorsed further consideration of zoning for more housing as part of this Alternative, there were also several concerns expressed. Among the concerns were implications for existing and potential industrial businesses; potential for land use conflicts due to the dust, noise, and traffic associated with industrial businesses; potential safety issues; and concerns about infrastructure needs for residential compared to manufacturing park development.

Two Commissioners disagreed with the majority on the recommendation. One Commissioner believed Draft Alternative 1 was the most advantageous, reasoning that job growth is the priority given that economic conditions in the nation are very fragile and that economic recovery is at least five years away. The other Commissioner preferred the slower rate of growth in Draft Alternative 2, reasoning that less traffic could encourage people to shop or visit Downtown and that rapid job growth during the past several years has not improved the quality of life or provided adequate funding for services.

Transportation

The majority of the Planning Commission, who commented that while transportation needs are a big issue under all the alternatives, believed the general concepts on which Modified Draft Alternative 3 is based offered the most advantages. Key considerations with this Alternative include:

- Gives priority to increasing housing opportunities, enabling more people to live near work, and thereby reducing commuting.
- Emphasizes collaboration with businesses and developers to increase and expand strategies for reducing traffic impacts associated with new development.

- Compared to Draft Alternative 1, would result in less pressure on Overlake due to the more moderate level of growth.
- By emphasizing opportunities for more innovative housing in neighborhoods, could contribute to increased carpooling and transit use.

These Commissioners expressed concern about the amount of growth expected under Draft Alternative 1 and implications for transportation needs. Theoretically, Alternative 1 provides the most support for high capacity transit (HCT) or other transit improvements due to the highest concentration of job growth. However, the Commissioners commented that given the outcomes of several ballot measures related to transportation funding and the overall trends in transportation funding, it is unlikely that sufficient funding will be available to extend HCT to the Eastside during the next 10 to 20 years. Given these trends, the Commissioners believe the City needs to emphasize other strategies to reduce traffic impacts associated with more growth, such as encouraging more housing opportunities close to jobs.

Two Commissioners disagreed with the majority on the recommendation. One Commissioner preferred Draft Alternative 1 and believed an important part of the solution for transportation problems is to provide large incentives to encourage people to bike, walk or carpool. This Commissioner did not believe the strategies in the other two alternatives would significantly help with transportation issues. The other Commissioner preferred Draft Alternative 2, reasoning that it would result in the smallest increase in traffic volumes and congestion. This Commissioner remarked that though the City has encouraged carpooling and other demand management strategies for years, traffic conditions have worsened. She questioned whether incentives would ever be adequate to encourage a significant number of people to choose an option other than driving alone.

Environmental Quality, Services and Facilities

While the majority did not believe Modified Alternative 3 would be most advantageous for environmental quality or amount of demand for services and facilities, they did express significant concerns about the implications of Draft Alternative 1 for these areas given the amount of estimated growth. In general, these Commissioners were concerned about the increased potential for environmental degradation and increased difficulty in meeting service and facility needs under Alternative 1. Commissioners expressed other reservations about Alternative 1, including concerns about the potential to retain the character of neighborhoods, including Overlake.

The Commissioner who preferred Alternative 1 did not believe it would have a significant impact on environmental quality since much of the increase would be in commercial development. Concerning service and facility needs, he believed that needs under Alternative 1 could be addressed, and that Draft Alternative 3 would likely result in greater demand for parks.

3. Areas of Concern for Evaluation

Various Commissioners identified the following issues as areas of concern with Modified Draft Alternative 3. The Commissioners believe these areas need further evaluation as part of Comprehensive Plan update work in 2003:

- SE Redmond zoning: Implications for supply of land zoned Manufacturing Park and existing and potential future industrial businesses; considerations of safety, infrastructure needs if more land is zoned for housing; need to create a residential character.
- Potential for commercial development to outpace residential growth.
- Potential loss of historic buildings Downtown (Perrigo Plat).
- Potential for more pressure for high-rise development to meet housing needs.
- Implications for expansion and retention of locally owned, medium/small businesses, primarily Downtown.
- Implications for funding facility and service needs given emphasis on housing development.

4. Areas of Opportunity for Evaluation

Various Commissioners identified the following as potential opportunity areas for consideration as part of the Comprehensive Plan update work in 2003:

- Potential for greater emphasis on Neighborhood Commercial zones as mixed use areas next to higher density residential development.
- Potential opportunities to obtain more park land and wildlife habitat through the transfer of development rights program.
- Opportunities to create incentives for redevelopment or more intense use of land to retain more natural areas.
- Opportunities to modify parking standards to encourage more housing.
- Potential to modify methods of calculating residential densities for Downtown zones.

5. Motion

The Planning Commission motion to recommend Modified Draft Alternative 3 as the preliminary preferred growth strategy was approved by a vote of 4 to 2. Of the Commissioners who supported the motion, one preferred Draft Alternative 2 but supported the recommended alternative and the concept of improving the balance between jobs and housing, provided issues of concern can be addressed. Of the two Commissioners who did not support the motion, one preferred Draft Alternative 1 and one preferred Draft Alternative 2.

List of Exhibits

Exhibit A: Summary of Planning Commission Discussion Issues

Exhibit B: Draft Minutes, Planning Commission Meeting, November 13, 2002

Exhibit C:	Planning Commission Issue Areas for Consideration
Exhibit D:	Public Comment
Exhibit E:	Staff Report and Evaluation
Exhibit F:	 Other Information (available in notebook in 3rd Floor Planning Department Offices) Background materials from 1999-2000 work on draft growth alternatives. Financial information: Funding for capital improvement costs, general elasticity of City revenue sources based on growth levels. Land use information: City growth relative to 2012 growth targets, demographic trends in Redmond, recent trends in commercial development applications, desired ratio for jobs-housing balance, trends in King County concerning jobs-housing balance. Economic information: Lease costs, vacancy rates, unemployment rates, regional employment forecasts, top factors in business location decisions. Service and facility information: Differences in demand for emergency
	 Service and facility information. Differences in defining for the draft growth alternatives, densities needed to support transit, existing densities in Overlake, transportation level of service based on current land use and developer projects in progess. Chart summarizing staff's evaluation of the draft growth alternatives. Meeting summaries: Greater Redmond Chamber of Commerce Comprehensive Plan Task Force.
Martin Snodgras	ss, Planning Commission Chairperson Date
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